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R.I. bill aims to aid hospital collections ✓

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PROVIDENCE -
Legislation awaiting Gov.
Donald Carcieri's
signature would
help the state's
community hospi-
tals offset a por-
tion of the bad
debt that has put
each further and
further in the red.

"Collectively,
over the past three
years, the (state's
hospitals) have
lost millions (in
bad debt," said
Westerly Hospital
President and
CEO Charles
Kinney. "What this
legislation says is
the insurance com-
pany must pay. This debt
has been passed on to hos-
pitals for a long while ...
it's enough."

Brought by Rep. Peter

Lewis, D-Westerly, the bill
was approved by the House
earlier this month and with
some tweaking, was OK'd
by the Senate late Friday.

The bill is on the
governor's desk.

"The future of
our communities
goes hand in hand
with the health of
our community
hospitals," Lewis
said. "This legis-
lation will bring
much needed
relief to our hos-
pitals - The
Westerly Hospital
in particular.
They cannot be
made to bear the
cost of uncollected
debt. The burden
must be shared."

The bottom line: the law
would require deductible
and co-payments and other
patient financial responsi-

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hospital bill. Go to the
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Kinney

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bility for hospital services be paid for by insurers. It would be up to the insurance companies – and employers – to find creative ways to collect from insured patients.

Kinney explained that hospitals absorb both free care – from those uninsured – and bad debt, the latter being defined as money owed from insured patients on deductibles and co-pays as well as from those “with the ability to pay,” but not the inclination.

“This bill would force (insurers) to find a way to collect that debt from those they insure. This puts it on them,” he said.

And for the Westerly Hospital, which saw \$1.5 million in bad debt from patients who “didn’t pay their deductibles or co-pays,” – most of which come from emergency room care – “this bill is critical for us.”

“At the end of the day, we’ll be able to realize half a million dollars. That means that while this is not the solution, it’s part of the overall solution for everybody,” he said. And he said that the hospital

would see that money beginning in 2008.

“We believe the governor will be supportive of this,” he said. “And a piece of this (legislation) will also help with making sure the uninsured get affordable health insurance.”

The bill, entitled the “Small Insurer Health Insurance Availability Act” allows that the small employer’s insurance carrier be responsible to reimburse hospitals for bad debt the institution has incurred by insured employees.

Kinney praised Lewiss for bringing the legislation to the table.

“Peter did a fabulous job. I cannot thank him enough. I know he took a lot of heat on the street for this, but he stayed the course and saw it through,” Kinney said.

He also offered thanks to Sen. Dennis Algiere, R-Westerly, Charlestown “for handling it on the Senate side.”

The bill, H-5912, would require health insurance companies to reimburse hospitals for any uncollected patient co-payment or deductible, if the hospital has been unable to collect the co-pay or deductible

from an insured after at least four months of trying and for an amount of \$175 or more. Some insurers require upwards of a \$1,000 co-pay. The hospital must be able to demonstrate that it has exhausted collection efforts.

The insurance company would then assume the responsibility of collecting the co-pay or deductible from its customer.

“We needed this bill to ensure our community hospitals remain healthy,” Lewiss said. He said that uncompensated care to hospitals will cost the state around \$100 million this year.

“This law would make hospitals and the insurers partners in seeing that co-pays and deductibles are paid without making it the sole burden of one or the other,” Lewiss said. “The bottom line is less bad debt for hospitals which can translate into lower costs for health care.”

Algiere said the bill “will help community hospitals.”

“The state’s community hospitals are experiencing very difficult times and are looking for help,” Algiere said. “This will help.”

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